

July 23, 2013

Omar Ashmawy
Staff Director and Chief Counsel
Office of Congressional Ethics
1017 Longworth HOB
Washington, DC 20515

BY FAX: 202-226-0997

Re: Request for Investigation into Rep. David Valadao (R-CA)

Dear Mr. Ashmawy:

Citizens for Responsibility and Ethics in Washington respectfully requests that the Office of Congressional Ethics (“OCE”) investigate whether Rep. David Valadao (R-CA) abused his position on the House Committee on Appropriations to benefit his and his family’s financial interests.

Background

In 2008, California voters approved a plan for a high-speed rail system between Los Angeles and San Francisco.¹ The first segment of the rail line is to be built in the San Joaquin Valley, using a combination of federal and state money.² About 400 parcels of land are needed to begin construction on a 29-mile stretch from Madera to Fresno, California.³

Rep. Valadao’s family operates the Valadao Dairy in Kings County, California – part of the San Joaquin Valley. The dairy owns three parcels of land, collectively over 500 acres, with an assessed value of more than \$1.8 million, directly along one of the proposed routes of the high-speed rail line.⁴ The largest parcel of the Valadao property, which is more than 402 acres and has an assessed value of \$1.14 million, would be affected by a new road overpass associated with a railway bypass.⁵ In addition to the three parcels directly affected by the project, the dairy owns six other parcels of land, totaling about 209 acres with an assessed value of nearly \$1.38 million, which sit within one mile of the two prospective track options.⁶ Also within a mile of

¹ Ralph Vartabedian, California Still Hasn’t Bought Land for Bullet Train Route, *Los Angeles Times*, January 27, 2013 (attached as Exhibit A).

² Michael Doyle, Bumpy Path Ahead for High-Speed Rail, *Merced Sun-Star*, July 2, 2013 (attached as Exhibit B).

³ Vartabedian, *Los Angeles Times*, Jan. 27, 2013.

⁴ Tim Sheehan, Rep. David Valadao Owns Land on High-Speed Rail Routes, *Fresno Bee*, July 13, 2013 (attached as Exhibit C).

⁵ *Id.*

⁶ *Id.*

Omar Ashmawy, Esq.

July 23, 2013

Page Two

one or both potential routes are an additional 455 acres, assessed at nearly \$6.2 million and owned by either Rep. Valadao's parents or his uncle.⁷

The rail project has been controversial and some of those who own property along the proposed rail route have opposed it on the grounds it will have a negative impact on the value of their land.⁸ According to his spokesperson, Rep. Valadao has been a vocal opponent of the project since before he was elected to Congress.⁹

In June 2013, Rep. Valadao successfully offered an amendment to the House Transportation, Housing and Urban Development, and Related Agencies Appropriations Bill for 2014, which would bar the federal Surface Transportation Board from approving any individual construction segments of the project, instead allowing the board to consider the project only on a statewide basis.¹⁰ The amendment could effectively stall, if not end, the prospect of building additional segments of the rail line.¹¹ Dan Richard, chairman of the California High-Speed Rail Authority, said "there was no legitimate policy reason for [Rep. Valadao's] amendment," which "could be interpreted to stop the project completely."¹²

When Rep. Valadao offered his amendment to the appropriations bill, he twice advocated its adoption, but on neither occasion did he inform his colleagues of his personal financial interest in it.¹³ Several other California representatives who rose in opposition to the amendment referred to the fact that landowners and farm owners in Rep. Valadao's district oppose the high-speed rail, concerned about its effect on their property values.¹⁴ None of these members, however, appeared aware that Rep. Valadao himself is among that group of landowners.¹⁵ In closing the debate prior to the vote on the amendment, Rep. Valadao responded to his colleagues' critiques, still failing to reveal his and his family's financial interest.¹⁶

Violations of House Rules

By introducing the amendment, advocating for it, and voting for it, and by failing to disclose that his and his family members' personal finances are likely to be impacted

⁷ *Id.*

⁸ Sheehan, *Fresno Bee*, July 13, 2013.

⁹ *Id.*

¹⁰ Amendments Adopted to the Transportation/HUD Appropriations Bill for FY 2014, Full Committee Markup, House Appropriations Committee, June 27, 2013, #6, Amendment to Transportation and HUD Appropriations Bill Offered by Mr. Valadao of California (attached as Exhibit D).

¹¹ Sheehan, *Fresno Bee*, July 13, 2013.

¹² *Id.*

¹³ See Video, Full Committee Markup – FY 2014 Transportation, Housing and Urban Development Appropriations Committee Hearing, Part I, 2:10:15-2:23:11, available at <http://appropriations.house.gov/calendararchive/eventsingle.aspx?EventID=340457>.

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.*

Omar Ashmawy, Esq.

July 23, 2013

Page Three

significantly by the construction of the high-speed rail line, Rep. Valadao appears to have violated House rules governing conflicts of interest.

House precedents largely favor allowing members to vote on legislation that may impact their personal economic interests out of concern over disenfranchising their constituents.¹⁷ As a result, members may vote on questions when they are part of a class of those affected as opposed to affected individually.¹⁸ This only applies, however, to floor votes. House rules clearly state **members may not engage in other official actions, such as sponsoring legislation, advocating or participating in a committee proceeding, or contacting an executive branch agency, when their financial interests are at issue.**¹⁹

As the House Ethics Manual notes, “such actions entail a degree of advocacy above and beyond that involved in voting,” meaning a member’s “decision on whether to take any such action on a matter that may affect his or her personal financial interests may implicate the rules and standards . . . that prohibit the use of one’s official position for personal gain.”²⁰ Further, even when no specific rule applies, members are advised to avoid situations “in which even an inference might be drawn suggesting improper conduct.”²¹ Moreover, while House precedent on conflicts indicates disclosure “is the preferred method of regulating possible conflicts of interest,” particularly when a member’s interests and that of his constituents intersect, “such disclosure must be full and complete, and even if complete, does not always alleviate a conflict or permit a [m]ember to act.”²²

The House Ethics Manual also advises members of the House that they are prohibited from “taking any official actions for the prospect of personal gain for themselves or anyone else.”²³ Members are directed to adhere to 5 C.F.R. § 2635.702(a), issued by the U.S. Office of Government Ethics for the Executive Branch, which provides:

An employee shall not use or permit use of his Government position or title or any authority associated with his public office in a manner that is intended to coerce or induce another person . . . to provide any benefit, financial or otherwise, to himself or to friends,

¹⁷ House Comm. on Standards of Official Conduct, House Ethics Manual, at 237 (110th Cong., 2d Sess., 2008 ed.).

¹⁸ House Ethics Manual at 234.

¹⁹ *Id.* at 237.

²⁰ *Id.*

²¹ *Id.* at 186; House Rule 23, cl. 2.

²² House Comm. on Ethics, *In the Matter of Allegations Relating to Representative Shelley Berkley*, H. Rep. No. 112-716, 112th Cong., 2nd Sess. (Dec. 13, 2012), Appendix A, Report of the Investigative Subcommittee at 46, *citing House Ethics Manual* at 251 (hereinafter “ISC Report”).

²³ House Comm. on Standards of Official Conduct, “Memorandum For All Members, Officers and Employees,” Prohibition Against Linking Official Actions to Partisan or Political Considerations, or Personal Gain, May 11, 1999.

Omar Ashmawy, Esq.

July 23, 2013

Page Four

relatives, or persons with whom the employee is affiliated in a nongovernmental capacity.

As a House Ethics Committee Investigative Subcommittee noted in the recent conflict case involving former Rep. Shelley Berkley (D-NV), conflicts of interest may pose the greatest threat to the public faith in elected officials “because self-dealing is such a simple and well-understood breach of that public trust. The term ‘public servant’ cannot survive if the servants serve themselves.”²⁴ Adopting the Investigative Subcommittee’s report, the House Ethics Committee found Rep. Berkley’s actions violated section 5 of the Code of Ethics of Government Service.²⁵

Further, House Rule 23 requires all members of the House to conduct themselves “at all times in a manner that reflects creditably on the House.”²⁶ This ethics standard is considered “the most comprehensive provision” of the code.²⁷ When this section was first adopted, the Select Committee on Standards of Official Conduct of the 90th Congress noted it was included within the Code to deal with “flagrant” violations of the law that reflect on “Congress as a whole,” and that might otherwise go unpunished.²⁸ This rule has been relied on by the committee in numerous prior cases in which the committee found unethical conduct including: the failure to report campaign contributions,²⁹ making false statements to the committee,³⁰ criminal convictions for bribery,³¹ accepting illegal gratuities,³² and accepting gifts from persons with interest in legislation in violation of the gift rule.³³

²⁴ ISC Report at 50.

²⁵ House Comm. on Ethics, *In the Matter of Allegations Relating to Representative Shelley Berkley* at 3.

²⁶ Rule 23, cl. 1.

²⁷ House Ethics Manual at 12.

²⁸ House Comm. on Standards of Official Conduct, Report Under the Authority of H. Res. 418, H. Rep. No. 1176, 90th Cong., 2d Sess. 17 (1968).

²⁹ House Comm. on Standards of Official Conduct, *In the Matter of Representative John J. McFall*, H. Rep. No. 95-1742, 95th Cong., 2d Sess. 2-3 (1978) (Count 1); *In the Matter of Representative Edward R. Roybal*, H. Rep. No. 95-1743, 95th Cong., 2d Sess. 2-3 (1978).

³⁰ House Comm. on Standards of Official Conduct, *In the Matter of Representative Charles H. Wilson (of California)*, H. Rep. No. 95-1741, 95th Cong., 2d Sess. 4-5 (1978); H. Rep. No. 95-1743 (Counts 3-4).

³¹ House Comm. on Standards of Official Conduct, *In the Matter of Representative Michael J. Myers*, H. Rep. No. 96-1387, 96th Cong., 2d Sess. 2, 5 (1980); *see* 126 Cong. Rec. 28953-78 (Oct. 2, 1980) (debate and vote of expulsion); *In the Matter of Representative John W. Jenrette, Jr.*, H. Rep. No. 96-1537, 96th Cong., 2d Sess. 4 (1980) (Member resigned); *In the Matter of Representative Raymond F. Lederer*, H. Rep. No. 97-110, 97th Cong., 1st Sess. 4, 16-17 (1981) (Member resigned after Committee recommended expulsion). In another case, the Committee issued a Statement of Alleged Violation concerning bribery and perjury, but took no further action when the Member resigned (*In the Matter of Representative Daniel J. Flood*, H. Rep. No. 96-856, 96th Cong., 2d Sess. 4-16, 125-126 (1980)).

³² House Comm. on Standards of Official Conduct, *In the Matter of Representative Mario Biaggi*, H. Rep. No. 100-506, 100th Cong., 2d Sess. 7, 9 (1988) (Member resigned while expulsion resolution was pending).

³³ House Comm. on Standards of Official Conduct, *In the Matter of Representative Charles H. Wilson (of California)*, H. Rep. No. 96-930, 96th Cong. 2d Sess. 4-5 (1980); *see* 126 Cong. Rec. 13801-20 (June 10, 1980) (debate and vote of censure).

Omar Ashmawy, Esq.
July 23, 2013
Page Five

In this case, although some of Rep. Valadao's constituents are concerned the introduction of a high-speed rail network will decrease their property values, because his own financial interest would be affected by its construction, House rules likely precluded Rep. Valadao from introducing an amendment to kill the project. At a bare minimum, however, it is undeniable he was required to disclose his and his family's financial interest prior to sponsoring and advocating for legislation benefitting those interests.

By using his position to introduce an amendment benefitting his and his family members' personal financial interest, by advocating for the amendment in an effort to persuade his colleagues to support it, and by voting for adoption of the amendment, Rep. Valadao appears to have attempted to provide a financial benefit to himself and his family members in violation of House conflict of interest rules, 5 C.F.R. § 2635.702(a), and House Rule 23. Therefore, CREW respectfully requests that the OCE promptly investigate this matter.

I am aware that the False Statements Act, 18 U.S.C. §1001, applies to complaints made to the Office of Congressional Ethics.

Sincerely,

Melanie Sloan
Executive Director

Encls.

EXHIBIT A

[← Back to Original Article](#)

California still hasn't bought land for bullet train route

Construction is supposed to start in July. High-speed rail officials say they can do it. But they face resistance from landowners, and if the schedule slips, costs could grow too high.

January 27, 2013 | By Ralph Vartabedian, Los Angeles Times

Construction of California's high-speed rail network is supposed to start in just six months, but the state hasn't acquired a single acre along the route and faces what officials are calling a challenging schedule to assemble hundreds of parcels needed in the Central Valley.

The complexity of getting federal, state and local regulatory approvals for the massive \$68-billion project has already pushed back the start of construction to July from late last year. Even with that additional time, however, the state is facing a risk of not having the property to start major construction work near Fresno as now planned.

It hopes to begin making purchase offers for land in the next several weeks. But that's only the first step in a convoluted legal process that will give farmers, businesses and homeowners leverage to delay the project by weeks, if not months, and drive up sales prices, legal experts say.

One major stumbling block could be valuing agricultural land in a region where prices have been soaring, raising property owners' expectations far above what the state expects to pay.

"The reality is that they are not going to start in July," said Anthony Leones, a Bay Area attorney who has represented government agencies as well as property owners in eminent domain cases.

State high-speed rail officials say it won't be easy, but they can acquire needed property and begin the project on time.

"It is a challenge," said Jeff Morales, the rail agency's chief executive. "It is not unlike virtually any project. The difference is the scale of it."

Quickly acquiring a new rail corridor is crucial to the project, which Gov. Jerry Brown touted last week as the latest symbol of California's tradition of dreaming big and making major investments in its future.

Delays in starting construction could set in motion a chain reaction of problems that would jeopardize the politically and financially sensitive timetable for building the \$6-billion first leg of the system. Under its deal with the Obama administration, which is pushing the project as an integral part of its economic and transportation agenda, the state must complete the first 130 miles of rail in the Central Valley by 2018, an aggressive schedule that would require spending about \$3.6 million every day.

California voters in 2008 approved plans for a 220-mph bullet train system that would initially link the Bay Area and Southern California at a cost of \$32 billion, less than half the estimated cost of the project.

If the construction schedule slips, costs could grow and leave the state without enough money to complete the entire first segment. Rail agency documents acknowledge initial construction may not get as close to Bakersfield in the southern Central Valley as planned.

In addition to property, the rail authority still needs permits from the Army Corps of Engineers and approval by the San Joaquin Valley Air Pollution Control District, two more potential choke points that Morales says can be navigated.

The land purchases are waiting on the hiring of a team of specialized contractors, but they cannot start their work until the rail agency gets approval from another branch of the state bureaucracy. About 400 parcels are needed for the first construction segment, a 29-mile stretch from Madera to Fresno.

The formal offers will start an eminent domain action, the legal process for seizing land from private owners. The owners have 30 days to consider the offer, and then the state must go through a series of steps that can add 100 more days of appeals and hearings, assuming the state can get on the court calendar, according to Robert Wilkinson, an eminent domain litigator in Fresno. If the state fails to convince a judge that a quick takeover of property is justified, formal trials could stretch on for 18 months, he added.

"I would think a lot of these are going to end up in litigation," he said. "It is a tight schedule, no question about it."

Indeed, the rail authority's formal right-of-way plan indicates it does not expect to acquire the first properties until Sept. 15, despite other documents that indicate construction would start in July. Rail officials said they padded the schedule to avoid claims for additional payments by construction contractors should land not be available by July.

Last month, the federal Government Accountability Office reported that about 100 parcels were at risk of not being available in time for construction.

That assessment was based on information the office collected last August. Susan Fleming, a GAO investigator, testified at a House hearing last month: "Not having the needed right of way could cause delays as well as add to project costs."

Morales said in a recent interview that he would not argue with the warning in the GAO report but still sees nothing that would delay the start of construction. Technically, the rail authority could meet the July target date by beginning demolition or other construction on a single piece of property, he said.

Anja Raudabaugh, executive director of the Madera County Farm Bureau, which is suing to halt the project under the California Environmental Quality Act, said the rail authority will face strong opposition to condemnation proceedings in the Central Valley. The bureau has hired a condemnation expert to help battle the land seizures.

"It is a harried mess," she said.

She noted that agricultural land prices rose rapidly last year across the nation. In the Central Valley, the average price of farmland is \$28,000 per acre, while the rail authority's budget anticipates an average price of \$8,000 per acre, she said.

Kole Upton, an almond farmer who leads the rail watchdog group Preserve Our Heritage, questioned the rail agency's expertise in conducting complex appraisals of agricultural land that has orchards, irrigation systems and processing facilities.

"I am not sure this thing has been well thought out by people who have a deep understanding of agriculture," Upton said. "I live on my farm, and my son lives on my farm. My dad started it after World War II. This is our heritage and our future."

Morales said he believes the agency's budget for property acquisitions is adequate and he did not want to negotiate prices publicly.

"We don't think we are wildly off," he said.

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EXHIBIT B

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Rescuers looking for teen last seen in river near Ripon

Bumpy path ahead for high-speed rail

Published: July 2, 2013

Authority can't rely on House for funds

By MICHAEL DOYLE — mdoyle@mcclatchydc.com

WASHINGTON — California's high-speed rail plan is heading for some "Perils of Pauline" moments on Capitol Hill.

Reinforcing past resistance, a GOP-controlled House panel this week put two more obstacles in the way of the state's ambitious rail plan. For political and budgetary reasons, the latest proposed impediments may fade away in time.

But as a portent, the latest congressional moves show more conflict ahead for the California High-Speed Rail Authority. For opponents and advocates alike, today's melodramas are but the early installments of what looks to be a long-running serial.

"It's going to be tough for them to come asking for money, from anyone," Rep. David Valadao, R-Hanford, said in an interview Friday.

On Thursday, Valadao won House Appropriations Committee approval for an amendment that would, if it enacted, slow construction of the high-speed rail project. The amendment blocks the federal Surface Transportation Board from taking further action on any section of the project until the three-member board has formally approved it.

Because overall approval could be years away, pending completion of a massive environmental impact study and a financing package, the result would be to delay construction of an initial section linking Bakersfield to Fresno, for which approvals have not yet been obtained. The federal board has approved starting work on a Fresno to Merced section.

"We want to make sure that when they start to spend taxpayer money, they know what the next step is," Valadao said.

Stung by the amendment, California High-Speed Rail Authority Board Chairman Dan Richard said Friday that the proposal was "kind of a goofy excursion" that is bound to fail in the end.

"There is no legitimate policy reason for this amendment," Richard said in an interview. "This is a political move...that basically says we can't spend the money we already have in hand."

When fully built out at an estimated price tag of \$68 billion, the California high-speed rail system is supposed to connect Los Angeles to San Francisco with trains capable of traveling more than 200 mph. The first construction phase, using a combination of state and federal funds, is through the San Joaquin Valley.

Valadao's amendment, approved by voice vote, is one of two California high-speed rail provisions now included in the \$44.1 billion appropriations bill funding federal transportation and housing programs for

fiscal 2014. The bill also includes language prohibiting any of the funds from being used for the California high-speed rail project.

This is where the political route map requires close scrutiny.

To take effect, Valadao's provision must survive negotiations with the Senate and be included in a bill that becomes law. Neither outcome is certain.

"He has some legitimate concerns," Rep. Sam Farr, D-Santa Cruz, said Friday, "but I don't see the two senators from California wanting to support that in a conference committee."

Farr is a senior member of the House Appropriations Committee, and he led the debate against the freshman Valadao's amendment on Thursday. California's two Democratic senators, Dianne Feinstein and Barbara Boxer, support the California rail project.

There is a political question as to whether the often-gridlocked Congress can complete the standard appropriations bills. Congress has failed in the last three years to pass a complete transportation appropriations package, leaving in limbo some policy prescriptions tacked on by lawmakers.

The other California rail provision in the appropriations bill also has some wrinkles, even though on its face it's a straightforward ban on funding.

"It doesn't make a difference because the federal funds have already been allocated," said Rep. Jim Costa, D-Fresno, a project supporter.

The federal government has provided about \$3.5 billion to the project. This money can't be taken away, and no additional funds had been sought for next year.

This means the no-funding provision may primarily be symbolic. At the same time, though it sends California officials a grim signal about what they can expect in coming years.

"At a certain point, they have made it very clear that they are going to need \$38 billion in federal funds," said Rep. Jeff Denham, R-Turlock, "and we are making it very clear that they won't receive a penny until they have a business plan."

Denham said Friday he will use his chairmanship of the House railroad subcommittee to stymie further federal funding for the California project, unless he is satisfied it is on track. Later this year, Denham will oversee the rewriting of a five-year Passenger Rail Investment and Improvement Act, which he said will include language touching on high-speed rail.

[Back to Top](#)

[< Previous Story](#)



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EXHIBIT C

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Rep. David Valadao owns land on high-speed rail routes

Published: July 13, 2013

By Tim Sheehan — The Fresno Bee

Republican House members up and down the San Joaquin Valley are squarely opposed to California's high-speed rail project, for which construction could begin this summer.

But while the issue is largely one of political philosophy for other GOP representatives, it hits much closer to home for Rep. David Valadao, R-Hanford, whose family's Valadao Dairy owns property that stands to be affected by either of two high-speed routes being studied in Kings County.

Despite repeated attempts, The Bee could not interview Valadao last week, partly because of his travel schedule. But his spokeswoman offered email responses to questions.

"Proposed high-speed rail projects affect Congressman Valadao just like they affect the rest of the community who elected him to represent them in Washington," Valadao spokeswoman Anna Vetter said.

In June, Valadao successfully offered an amendment to a House appropriations bill that would bar the federal Surface Transportation Board from approving individual construction segments of the state project. Instead, the board would be allowed only to consider the statewide high-speed train network in its entirety.

The federal board, which plays a key oversight role, already has approved construction of the first 30-mile stretch of tracks from northeast of Madera to the south end of Fresno.

The net effect of Valadao's amendment, if it becomes law, would be to stall for years — if not permanently derail — any additional sections of the bullet-train system.

It's not clear, however, if Valadao's colleagues on the House Appropriations Committee were aware of his property interests or how the rail line would affect those lands when they voted on his amendment.

Three Valadao Dairy parcels sit directly along one of the routes through Kings County — a line that skirts west of Hanford and generally follows the BNSF Railway freight tracks between Hanford and Corcoran. Those parcels amount to about 509 acres and have a combined assessed value of more than \$1.8 million, according to a database on the Kings County Assessor's Office website.

The largest of those parcels, at just over 402 acres and \$1.14 million in value, also would be affected by a new road overpass associated with an east-of-Hanford bypass.

Valadao's staff said last week he was unavailable to address questions about property disclosures or whether he felt he had an obligation to inform his fellow representatives when Valadao proposed his amendment and voted to report the bill out of the Appropriations Committee.

Parcel No. 028-090-007, owners Eduardo & Maria Valadao, et al, dba Valadao Bros. Dairy, size 110.86 acres, estimated assessed value \$1.29 million.

Parcel No. 028-202-023, owners Eduardo & Maria Valadao, size 99.27 acres, estimated assessed value \$3.32 million.

Parcel No. 028-090-013, owner Manuel Valadao (David Valadao's uncle), size 160 acres, estimated assessed value \$1.09 million.

Source: Kings County Assessor maps and property databases

[View Valadao properties near HSR in a larger map](#)

Bee Washington Bureau reporter Michael Doyle contributed to this report. The reporter can be reached at (559) 441-6319, tsheehan@fresnobee.com or [@tsheehan](#) on Twitter.

[Back to Top](#)

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"Congressman Valadao has undertaken recent actions in the House of Representatives regarding high-speed rail," Vetter said by email Thursday. But, she added, Valadao "has been vocal on his opposition to the proposed high-speed rail project" since before he was elected to Congress last year.

One of the most frequent criticisms leveled at the California High-Speed Rail Authority by opponents of the project is the potential for property values to be diminished for land along and near the proposed tracks.

In addition to the three Valadao Dairy parcels that would be directly affected by the project, the dairy owns six other parcels within a mile of at least one of the prospective track options. Those parcels represent about 209 acres and have a total combined assessed value of nearly \$1.38 million.

Also within a mile of one or both routes are another 455 acres owned by either Valadao's parents, Eduardo and Maria Valadao, or his uncle, Manuel Valadao, with the four parcels having assessed values totaling nearly \$6.2 million.

Valadao's staff would not say whether he had informed the Appropriations Committee members, either when he offered his amendment or when he voted on the bill, that he owned property that stood to be spared if the high-speed rail project were to be blocked.

Instead, Vetter referred to financial disclosure forms Valadao filed with the California Fair Political Practices Commission when he was a member of the state Assembly, and with the clerk of the House of Representatives after he was elected to Congress last year.

"In both the California Assembly and the United States House of Representatives, Congressman Valadao has submitted all of the proper documentation of his economic interests, including property," Vetter said.

Valadao's 2011 state disclosure to the FPPC identifies one of the three parcels that sit directly along the proposed west-of-Hanford line, and five of the nine parcels identified in Kings County tax records as Valadao Dairy properties. His federal disclosure as a member of Congress identifies him as a general partner of Valadao Dairy, but identifies no specific parcels owned by the partnership.

In a 2011 memo, the House Committee on Standards of Official Conduct — commonly known as the House Ethics Committee — noted that while, "as a general matter, the decision on whether to refrain from voting on a particular matter ... rests with members," it is also the case that "members may not use their position for personal financial benefit."

The basic rule is to avoid voting on the House floor on matters in which the member has a "direct personal or pecuniary interest," but the ethics panel noted that "added circumspection" may be required for non-voting actions, such as sponsoring legislation.

"Whenever a member is considering taking any such action on a matter that may affect the member's personal financial interests, it is advisable for the member to first contact the committee for guidance," the panel's memo states.

Valadao's staff indicated that he had sought advice from the Ethics Committee. Dan Schwager, the committee's staff director, said such requests are treated confidentially and that he could not comment.

Many of the most vocal opponents of high-speed rail in Kings County — including Hanford homeowner Aaron Fukuda and farmer John Tos, who are both suing the state rail authority to stop the project — are property owners along the route.

They loudly decry how the bullet train would affect their land, said Dan Richard, chairman of the California High-Speed Rail Authority's board.

"Most of the people we deal with, we know what the impacts will be because they've told us," Richard said. He said he has visited homes and farms where owners have pointed out how their property would be changed by the path of the high-speed rail tracks.

But he said that he was personally unaware until recently that Valadao was among the property owners along a propose route.

Richard declined to address whether he believed Valadao's amendment to the appropriations bill was motivated by his family's affected property.

"But what I have said before is that there was no legitimate policy reason for the amendment, which would stop us from building the next segment of high-speed rail from Fresno to Bakersfield," Richard said. "In fact, it could be interpreted to stop the project completely."

Richard said Congress already has provided money for construction in the Valley and that the authority is poised for thousands of jobs building the project.

"This amendment basically says that should not happen," he said. "If someone needs to make that argument, they ought to have a very strong policy reason for doing it."

Valadao's staff said there are significant policy considerations. "The proposed high-speed rail project is important for every person in California as it diverts billions of dollars away from essential services like public safety and education," Vetter said. "Congressman Valadao opposes high-speed rail regardless of the route or whose property is affected."

Valadao properties

Valadao Dairy, a partnership that includes Rep. David Valadao, R-Hanford, owns three parcels that would be directly affected by at least one proposed high-speed rail route through Kings County.

Parcel No. 028-206-015, size 402.4 acres, estimated assessed value \$1,143,272.

Parcel No. 028-206-006, size 4.31 acres, estimated assessed value \$25,899.

Parcel No. 028-206-005, size 102.52 acres, estimated assessed value \$651,064.

The dairy partnership also owns six more parcels that are within a mile of one or both proposed high-speed rail routes south of Hanford:

Parcel No. 028-202-002, size 50.35 acres, estimated assessed value \$380,799.

Parcel No. 028-202-028, size 58.34 acres, estimated assessed value \$191,888.

Parcel No. 028-202-032, size 59.47 acres, estimated assessed value \$496,300.

Parcel No. 028-202-031, size 1.71 acres, estimated assessed value \$6,000.

Parcel No. 028-201-007, size 19.39 acres, estimated assessed value \$63,485.

Parcel No. 028-201-008, size 19.4 acres, estimated assessed value \$240,283.

Four additional nearby parcels within a mile of one or both proposed high-speed rail routes are owned by other Valadao family members:

Parcel No. 028-040-017, owners Eduardo & Maria Valadao (David Valadao's parents), et al, size 85 acres, estimated assessed value \$483,166.

EXHIBIT D

HB

Valadao
Hobson
VV

**AMENDMENT TO TRANSPORTATION AND HUD
APPROPRIATIONS BILL
OFFERED BY MR. VALADAO OF CALIFORNIA**

At the appropriate place, insert the following:

1 SEC. _____. None of the funds made available by this
2 Act shall be used by the Surface Transportation Board
3 to take any actions with respect to ~~a project for construction~~
4 ^{project} of a high-speed rail~~in~~ in California unless the Board
5 has jurisdiction over the entire project and the permit is
6 or was issued by the Board with respect to the project
7 in its entirety.